

DAIRY MARKETING INFORMATION ON OHIO MARKETS, 1933

Dairy Marketing Associations  
Some Changes and Developments

By

Paul A. Young  
Extension Specialist in Dairy Marketing  
The Ohio State University

Mimeographed Bulletin No. 63  
of the  
Department of Rural Economics

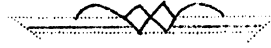
September, 1933

---

Agricultural Extension Service and the Department of Rural Economics of the  
Ohio State University, cooperating with the U. S. Department of Agriculture  
Agricultural Extension Service - H.C.Ramsower, Director, Columbus, Ohio

## Acknowledgments

The Department of Rural Economics is greatly indebted to the managers and officers of the various cooperative marketing associations for the promptness and completeness with which they met all requests for information. Material of this kind can be compiled only with the fullest cooperation of the marketing groups.



## Contents

	Page
Introduction . . . . .	1
Methods of selling milk . . . . .	2
New Ohio milk marketing legislation . . . . .	4
Maps of membership areas of Ohio:	
Cream marketing areas for 1933 . . . . .	7
Fluid milk marketing associations for 1933 . . . . .	8
Dairy marketing associations:	
Dairymen's Cooperative Sales Association . . . . .	9
Milk Producers' Association of Summit County and vicinity . . . . .	15
Stark County Milk Producers' Association, Inc. . . . .	19
Wooster Farms Dairy Company . . . . .	22
Miami Valley Cooperative Milk Producers' Association . . . . .	24
Kentucky, Indiana, and Ohio Milk Producers' Association . . . . .	27
Cooperative Pure Milk Association . . . . .	29
Scioto Valley Cooperative Milk Producers' Association . . . . .	32
Scioto County Cooperative Milk Producers' Association . . . . .	35
North Central Ohio Cooperative Dairy Sales Association . . . . .	37
Northwestern Cooperative Sales Company . . . . .	39
Milk Producers' Union . . . . .	41
Farmers' Equity Union Creamery Company . . . . .	42
Gallia County Cooperative Cream Sales Association . . . . .	43
Muskingum Valley Dairy Sales Association . . . . .	43
Fayette County Marketing Association . . . . .	44
Southwest Ohio Cooperative Sales Association . . . . .	44
Cheese factories . . . . .	45



## INTRODUCTION

Last year mimeographed bulletin #46 on Milk Marketing Information on Ohio Markets was published by the Department of Rural Economics.

It is our aim in this new bulletin (No. 63) to bring this information up-to-date and go somewhat into detail on marketing plans used in Ohio.

An effort will be made to keep it up-to-date by adding the changes made in the markets each year.

## METHODS OF SELLING MILK

There are three common types of milk selling plans:

1. The flat rate
2. Pooling or use classification
3. Base and surplus

In some instances a combination of two or more of the plans is used by some associations.

Under present conditions with the price of manufactured milk so close to the Class I sales price there is a tendency to abandon the base and surplus and use the flat rate plan of buying.

### The Flat Rate Plan

Under the flat rate plan, one price is paid for all milk of a given test. The different uses of the milk is not usually given any consideration.

Under this plan the dealer assumes responsibility of surplus but frequently we find this situation existing; when a dealer is short of milk he may add shippers but in times of large surplus producers are dropped. The latter group then makes every effort to come back into the market through some other available channel.

### Pooling or Use Classification Plan

The pooling or use classification plan pays the producer on the basis of the use his milk is put to in the market. The prices of the various classifications of milk are weighted and the producer receives the average price.

#### Advantages

1. The pool places milk into the dealers' hands at use values. This makes it possible for dealers equipped to handle surplus milk to do so with reasonable hope for profit on that milk which does not go into fluid channels.
2. Adjustment of supplies as between dealers in a pooling market can be made with a minimum of shifting of producers.
3. Pooling is comparatively easy for producers to understand.
4. Clerical work for both dealers' and producers' association is relatively simple.

#### Disadvantages

1. Difficult to reach price and classification agreements among dealers.
2. The pool price reflects back to the producer the average performance of the group and not his own. As a result, the plan has not been effective in leveling off seasonal variation.

3. The fact that the Class 1 price is always considerably higher than the pool price makes it possible for non-cooperating dealer with only Class 1 business to pay unorganized producers a price higher than the pool, but much lower than the pool dealers must pay for Class 1 milk.
4. When plant experiences are checked by outside auditors and pool differences are cleared through the producers' association, it becomes increasingly difficult to collect the differences due from the dealers whose Class 1 purchases exceed the average of the market. The fact that these differences in a majority of the cases are due from small dealers and are ultimately paid over to the larger dealers helps to complicate the matter.

The failure of the pool to hold production in check, the unfavorable comparison of the pool and Class 1 prices, and the difficulties of making financial adjustments between dealers all become more acute under market conditions such as we are now experiencing.

#### Base and Surplus Plan

A base and surplus plan divides each farmer's milk into two or more parts, one of which is known as base milk. The object of the plan is to allot to each fluid milk producer on the market his proportionate share of the total fluid sales. This share is known as his base.

The base may be set in various ways. The simplest form is for the dealer to figure each month the percentage that his sales are of his purchases from farmers, and then pays each of his producers the base price for that percentage and a surplus price for the remainder.

The most common procedure is to select a certain number of months either in the preceding year or over a series of years and compute the average sales of each producer for this period. The estimated sales are then measured against the total of all farmers' production and each farmer is allotted his pro rata share, which is known as his base. A base so set is often called a performance base.

The selection of the months to comprise the base making period is one of the most difficult features of this plan. The number included ranges from one to the entire year. In 81 firms using base surplus plans throughout the United States and Canada the months of October and November each were included 75 times in the 81 plans. The remaining months of high frequency were December, 54; September, 51; and August, 29.

The effect of the base surplus plan is to reflect back directly to the individual producer the effects of his seasonal variation. In these plans the producer with the slight variations in sales from month to month receives more per hundred pounds for all milk sold than does the producer whose sales vary widely from month to month.

The base surplus plan is more difficult to explain to producers than are the others. Accidents within the herd also have a much greater effect upon the returns of the producer because they may affect the base upon which the producer must operate over a period. In the past few years the plan has come to be generally recognized as the most equitable for fluid milk markets.

### Advantages of the Base Surplus Plan

1. Assigns directly to each producer a certain allotment of the fluid market.
2. The farmer with good seasonal performance receives a relative higher price for all his milk.
3. With two prices to the farmer one of which is determined by fluid milk prices it becomes more difficult for the non-cooperating dealer to give the impression that he is paying a higher price than dealers buying Association milk.
4. More feasible to work out plan whereby producer may keep some surplus milk off the market when it is not needed.

### Disadvantages and Limitations of Base Surplus Plan

1. It is difficult to reach complete agreement as to the proper period for establishing farmers' bases.
2. When producers' base quantities greatly exceed the fluid sales of the market, either the producers must take base price for only a certain per cent of base or the base price must be cut back a corresponding percentage. In either case this is hard to explain to the satisfaction of the producer.
3. Accidents and developments beyond the control of the dairyman frequently cause serious maladjustment in individual bases. It is difficult to adjust these so as to be fair to all and avoid charges of partiality or favoritism.
4. Record keeping and clerical work is much more complicated than in a simple market pool. The amount of time for hearing complaints for both dealers and association managers is greatly increased.

### NEW OHIO MILK LEGISLATION

In many of our Ohio markets, price cutting tactics and other unfair trade practices have driven down the price of milk to producers to such a point that it has been impossible to obtain much more than butterfat prices after hauling is deducted. Much milk finds a market through opportunist dealers who purchase it as distressed milk at low prices and sell at less than the prevailing prices. Some producer distributors deliver direct and sometimes failing to find a ready market sell at a lower price. Some milk finds an outlet through stores that use milk as a low price leader.

This has been a real hardship especially on the farmer who has met the necessary health requirements in order to have an outlet for his fluid milk supply.

The milk investigation committee appointed last fall to investigate the milk situation reported that with the existing low prices there was a tendency to let down on the quality of milk thereby creating a menace to the health of the public. Serious decline in the price the farmer receives for milk without immediate proportionate decline in the price to the consumer has largely brought about this situation.

The Ohio Legislature in June 1933, passed a law known as the "Burk Bill," as an emergency issue providing for an appointment of a milk commission with power to regulate the distribution of fluid milk and cream in Ohio. Its purpose is to stabilize prices in the markets and eliminate some of the destructive trade practices that have been largely responsible for low prices received by dairy farmers.

The commission is to consist of four members who have the authority to select an executive secretary, necessary office help, and not to exceed ten examiners.

According to our interpretation of the bill the commission is to act as referee in the organized markets giving authority to cooperative marketing groups and dealers in setting up written market agreements that may include a code of fair practices and suggested price schedules. If a written agreement on price is reached in any market developed by this voluntary plan between producers and distributors, 60 per cent of the normal milk supply and 10 per cent of the dealers must be represented in this written agreement. The commission reserves the right to approve these schedules

It provides for the licensing of milk dealers, producer distributors and retail stores upon the following schedule:

License for a distributor handling 30,000 pounds of milk or more per month to cost \$50 plus \$1 per each delivery vehicle. A distributor handling less than 30,000 pounds per month, \$25 plus \$1 per vehicle.

Producer distributors handling 3,000 pounds or more monthly, \$10 plus \$1 for each vehicle. Producer distributors handling from 3,000 to 1,200 pounds, \$5 plus \$1 for each vehicle. The producer distributor who handles 1,200 pounds or less monthly, \$1 fee ~~each~~.

Retail stores handling milk to pay \$1. The farmer who sells to the distributor is not required to have a license.

Before being licensed, dealers must satisfy the commission of their ability to pay for 60 days supply of milk and milk must be paid for not less than 45 days after its receipt.

The bill as written makes it a violation for any distributor to operate without a license. The commission has the power to decline, condition or revoke a license (1) if there is failure on the part of the dealer to pay the producer within 45 days after receiving the milk, (2) an indication of lack of financial responsibility, (3) deviations from selling schedules, or (4) a deviation from schedule of prices paid farmers.

Fees to be secured from the licensing of distributors and stores seem to provide ample revenue for administering the act.

#### Members of the New Milk Commission

<u>Name</u>	<u>Address</u>	<u>Branch of Industry they Represent</u>
George Warner	Wellington	Dairy farmer and cattle breeder
Ward Ramseyer	Smithville	Dairy farmer
Henry Ballman	Dayton	Secretary of Retail Grocers' Association of Dayton
Kline Hamilton	Columbus	Milk distributor
Dr. C.G. McBride	Columbus	Executive Secretary

Office: Wyandotte Building, Sixth Floor, Columbus, Ohio.

Twenty per cent of the revenue collected will go to the local health districts, if milk regulations are enforced, and 80 per cent used for the expenses of the commission. Unused balances, if any, are to go into the general fund.

Additional powers of the commission as outlined in the bill include the following:

1. Investigation of milk industry, hold hearings, administer oaths and subpoena witnesses and records.
2. Have access to records and plants of milk dealers.
3. Arbitrate in milk controversies.
4. Create milk marketing areas.
5. Appoint in any market an advisory board of producers and distributors (without compensation) to assist commission.
6. Adopt and enforce rules, regulations and orders.
7. May exempt any milk sold for consumption in territory outside and not adjacent to any market established, provided it does not constitute a menace to public health.

It might be well to bring out the fact that the Ohio Milk Marketing Commission shall be a part of the Department of Agriculture in the following respects: The work of the Commission is to be coordinated with the marketing functions carried on by or under the authority of that department. The Director of Agriculture may upon application of the Commission assign any employee of the Department to assist in the administration of the act.

The question has been raised as to whether it will be possible for the farmer or dealer to distribute raw milk. There is nothing in the act to prevent the sale of raw milk in any market so long as the health and other established requirements are met.

There is nothing in the act so far as we can determine that prevents a cooperative marketing association properly organized from engaging in making collective sales or marketing milk for its members or from blending the net proceeds of all of its sales of the various classes whether within or without the state and paying its members or instructing distributors to pay its members the blended price, with such deductions or differentials as may be authorized by the contracts between the association and its members.

The question has been asked whether this bill makes milk a public utility. The industry answers this in the negative because the bill is of temporary nature, it does not limit the number of dealers that may operate, prices and regulations are determined by local voluntary groups or advisory boards. These however are subject to approval by the Commission. It does not restrict the territory in which the licensee may operate, it does not create a full time occupation for members of the commission, it recognizes the operation of cooperative marketing associations and conforms to provisions of the Federal Agricultural Adjustment Act.

CREAM MARKETING ASSOCIATION AREAS  
Ohio 1933

Area #5 handles considerable fluid milk in addition to cream



1. Farmers Equity Union Creamery Co., Lima, Ohio
2. Gallia County Cooperative Dairy Sales Association, Gallipolis, Ohio
3. Muskingum Valley Cooperative Dairy Sales Association, Zanesville, Ohio
4. North Central Ohio Cooperative Dairy Sales Association, Bucyrus, Ohio
5. Fayette County Marketing Association, Washington C.H., Ohio

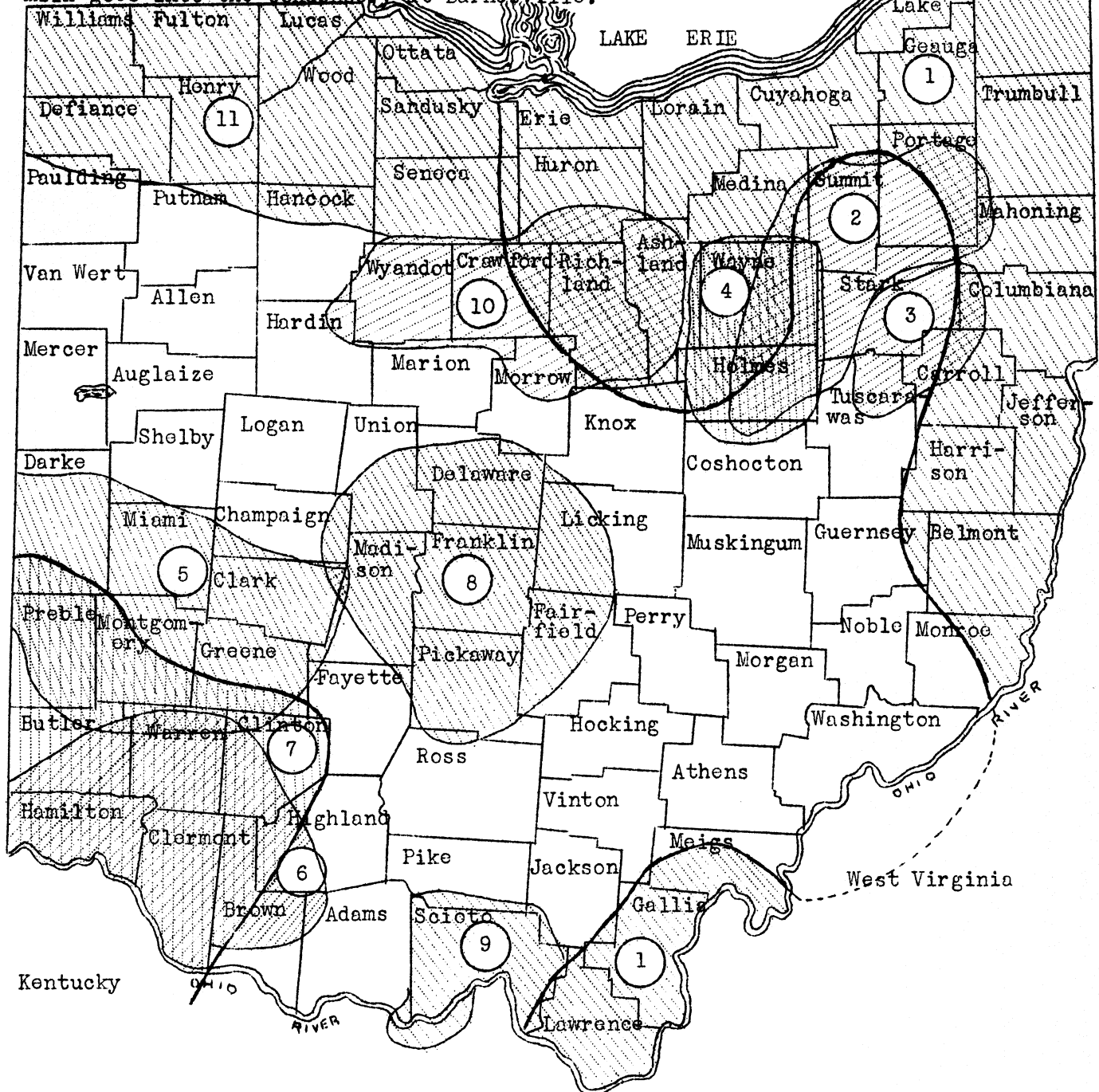


Explanation of Fluid Milk Areas:

Area No. 5, 10, 11 and 7 handle considerable cream in addition to fluid milk.

Area No. 11 handles considerable milk for condensing manufacture.

In Area #1 in Monroe, Belmont and Harrison Counties considerable milk goes into the condensery at Barnesville.



1. Dairyman's Cooperative Sales Association, Pittsburgh Pennsylvania
2. The Milk Producers Association of Summit County and vicinity, Akron, Ohio
3. Stark County Cooperative Milk Producers Association, Canton, Ohio
4. Wooster Farm Dairy, Wooster, Ohio
5. Miami Valley Cooperative Milk Producers Association, Dayton and Springfield, Ohio
6. Kentucky, Indiana and Ohio Milk Producers Association, Cincinnati, Ohio
7. Cooperative Pure Milk Association, Cincinnati, Ohio
8. Scioto Valley Cooperative Milk Producers Association, Columbus, Ohio
9. Scioto County Cooperative Milk Producers Association, Portsmouth, Ohio
10. North Central Ohio Cooperative Dairy Sales Association, Bucyrus, Ohio
11. Northwestern Cooperative Sales Company, Wauseon, Ohio

DAIRYMEN'S COOPERATIVE SALES ASSOCIATION

Pittsburgh, Pa. - Cleveland, Warren, Youngstown, Steubenville and Ashtabula, Ohio

This association is a non-profit corporation organized under the Pennsylvania Cooperative Act in April, 1929 as amended. It is a stock company authorized to issue \$100,000 divided into 40,000 shares of stock. The main office is located in the Century Building, Pittsburgh, Pa. Branch offices are located at Charleston and Huntington, West Virginia, and Cleveland, Ohio. Cleveland is the second primary market for both Direct Shipped and Country Plant Stations. The Association is selling only a limited amount of milk in Cleveland and is in the process of organizing the entire market.

The organization began functioning in the Pittsburgh milk market April 1, 1932 having replaced the Dairymen's Cooperative Sales Company which had operated in this market since 1917. The Dairymen's Cooperative Sales Company was organized under the General Corporation Laws of the State of Ohio. It operated as a cooperative corporation although not organized under a cooperative charter. The affairs of the Dairymen's Cooperative Sales Company are in the process of liquidation. All active member of that corporation are now members and stockholders of the Dairymen's Cooperative Sales Association.

The Dairymen's Cooperative Sales Association is managed by a group of six directors, one-third of whose terms expire annually. The directors elected to fill their positions will be elected for three years. Directors are elected by the stockholders at the annual meeting of stockholders held the second Saturday of June each year.

The present directors are:

Willis Leach	Ohio	Medina County
J. F. Matchet	Pa.	Washington County
John Creighton	Pa.	Washington County
## W. W. Bullard	Ohio	Ashtabula County
# P. S. Brenneman	Ohio	Ashtabula County
E. F. Noble	Ohio	Mahoning County

# President

## Vice-President.

H. B. Steele is Secretary.

Marketing Districts and Cooperating Dealers

There are twelve districts briefly described below. The number of dealers cooperating with the association in each district is indicated by the number at end of description.

District I. Includes Pittsburgh and its suburban markets and those Country Plants whose milk comes into Pittsburgh. 27

District II. Includes Youngstown, Warren, Niles and Girard in Ohio and Sharon, Farrell and Sharpsville in Pennsylvania. 15

District III. Includes Wheeling, West Virginia and Bellaire, Bridgeport and Martins Ferry, Ohio. 5

District IV. Includes Ashtabula, Ohio and its surrounding markets. 5

- District V. Includes those manufacturing plants at Somerset, Dicksonburg, Conneaut Lake, Greenville and Orangeville in Pennsylvania; and Barnesville, Ohio. 5
- District VI. Includes Cleveland, Ohio and those Country Plants now shipping milk into Cleveland. 6
- District VII. East Liverpool and Wellsville, Ohio. 3
- District VIII. Includes Clarksburg and Fairmont, W. Va. 3
- District IX. Includes Charleston, West Virginia. 7
- District X. Includes Kittanning and Butler, Pennsylvania. 3
- District XI. Huntington, West Virginia. 5
- District XII. Includes Steubenville, Ohio and Wierton, W. Va. 5

#### Membership

Membership of the D.C.S.A. consists of 13,000 dairymen, each of whom owns a minimum of one share of stock in the association plus one-tenth of a share in addition for each cow owned by him in excess of ten cows. Membership is based upon subscription for Capital Stock and the signing of a Marketing Agreement in which the milk producer consigns to the association for sale all of the milk produced on his farm or farms except that which he needs for local consumption. Membership in the association is found in twenty-three counties in Ohio; twenty counties in Western Pennsylvania; and fourteen counties in West Virginia. The membership is grouped into some one hundred and seventy local units, each of which has its local officials and its delegates or delegate to a central body known as the General Advisory Council, which council considers policies and program of operations of the association and acts in an advisory capacity to the board of directors. The D.C.S.A. is financed: First, by the Capital Stock fee of \$2.50 per share; and second, by operating revenues deducted from gross sales value of milk, the limitations of which shall not exceed four cents per hundredweight of milk handled by the association, the exact number of cents per hundredweight determined from time to time by the General Advisory Council.

#### Bargaining Set-up

The D.C.S.A. acts as a bargaining agency in the disposal of its members' milk to buyers and processors of milk located in these markets. The association does not take title to the milk but consigns the product of its various stockholder-members to various buyers who have entered into contract with the association for their supply of milk. Buyers purchasing their supply from the association do so under written contract, terms of which contract are uniform to all buyers in the same marketing district but these contracts may differ as between districts. The sales policy in each district is purely of that district and may be the same or different from the sales policy adopted in an adjacent district.

#### Hauling

Producers under contract with the association deliver their product to buyers' places of business by truck operators who are also under contract with the association. The selection of such truckers and the rates to be charged for the delivery of milk are approved by the local groups before the contract is entered into as between the transportation agency and the D.C.S.A.

### Classification Price System

For the period from 1917 to April 1922 the association bargained with dealers for a flat price on all milk. Beginning May 1922 the classification price system was instituted in the Pittsburgh market and spread to practically all other secondary markets, by which system milk delivered to dealers was classified in accordance to the use to which that milk was put and prices negotiated for each classification. These classifications had no connection with the quality of the milk but rather with the disposition of the same into the various uses.

Classifications in use in the Pittsburgh market at present are as follows:

- Class I. To include all milk sold in whole form or fluid form, both retail and wholesale and to include "400" or other trade names.
- Class II-A. To include all D.C.S.A. milk, the cream from which is sold, either retail or wholesale, for use as fluid cream, except that cream sold in carload lots to buyers outside the market.
- Class II-B. To include all D.C.S.A. milk or the cream resulting from its separation, used in the manufacture of ice cream or ice cream mix; or used for any other purpose except as otherwise provided for in Classes I, II-A, III, IV, and V.
- Class III. To apply ONLY for D.C.S.A. milk that is used in the manufacture of butter, provided its manufacture and sale are verified as such by the Marketing Department.
- Class IV. To apply ONLY for D.C.S.A. milk that is used in the manufacture of American Cheese, hart type.
- Class V. To apply ONLY for D.C.S.A. milk that is used in the manufacture of sterilized evaporated milk provided its manufacture and sale are verified as such by the Marketing Department.

Prices negotiated on Classes I and II-A are determined largely by the local conditions in the retail and wholesale markets of milk and table cream. Prices received for all other classes are dependent quite largely upon national marketing conditions for milk going into those uses.

The association attempts to sell its milk in the highest price classifications and buyers under contract are obliged to fill their needs of the highest classes out of association milk to the extent that the association shall have an adequate supply. Buyers report to the association monthly the quantities of milk received from members and the total sales of milk by classes. These reports are subject to verification by auditors of the D.C.S.A. and billings are rendered according to findings.

### Basic Surplus Plan Adopted - Recent Changes

The wide range of production between fall and spring months under the pool plan made necessary a change in the distribution of proceeds from sales to members of the D.C.S.A. Accordingly, beginning October 1, 1928, allotments of the Class I or fluid milk sales of the association were made to each member-producer based on his fall production. All milk produced in excess of this basic allotment was considered Surplus and prices of Surplus were the results of pooling the sales of milk in classes

other than Class I. Beginning May 1931 a further allotment was made, establishing for each member his proportion of the table cream requirements of the market, which is known as Second Base or first Surplus Quantities.

On April 1, 1933 the pooling plan was reinstated in the majority of the districts after having been given approval by the Advisory Council at their meeting held on March 24, 1933

Several factors entered into the abandonment of the basic plan which factors are:

In the past several months a campaign to gain the support of all producers in the marketing areas to the Dairymen's Cooperative Sales Association has been in progress. It was found that many of the non-members of the association were not members because of their objections to the basic plan and that a goodly per cent or number of producers had left the association because of objection to the basic plan.

A feeling had also developed among the loyal membership antagonistic to the plan.

Reasons seemed to be: Too complicated for the average producer to figure each month's milk.

A feeling prevailed among many producers that the plan was for the benefit of the distributors and they as producers were not receiving their just share of Class I sales. Written and oral exploitations of the workings of the system seemingly had little effect in correcting this false belief.

Since abandonment have found non-members more willing to join the association than previously.

### Operating Revenues

Operating revenues of the association are limited to four cents per 100 pounds for all milk handled. At the present time the operating revenue is fixed at three cents per hundredweight by the General Advisory Council.

The allotment of such income is as follows:

\$ .01 per cwt.	Contributed to the Pittsburgh District Dairy Council, an educational corporation organized for the purpose of promoting the increased use of milk. This council is financed jointly by milk producers and milk distributors who desire to contribute to such movement. Milk dealers' contributions are at the rate of one cent per hundredweight from their own account.
\$ .00 $\frac{1}{2}$ per cwt.	Set aside for a reserve against bad debts resulting from bankruptcies or other cases where the association is unable to collect for members the sales value of milk. This reserve cannot be expended for any other purpose.
\$ .01 $\frac{1}{2}$ per cwt.	To the general fund of the association out of which the General Advisory Council is maintained. One-fourth cent per cwt. is returned to local units and the balance used to defray general administration and executive expenses.
<hr/>	
\$ .03 per cent	Total deductions.

Beginning June 1, 1933, bad debt check off increased to  $1\frac{1}{2}$  cents per cwt. for a temporary period until the regular  $\frac{1}{2}$  cent will again care for bad accounts.

The following districts have abandoned the basic surplus plan:

Districts 9, 11 and 12 comprising the Charleston, W.Va.; Huntington, W.Va.; and Steubenville, Chic and Wierton, W.Va. markets, respectively.

Producers in some markets have levied a special assessment against themselves for the purpose of checking weights and tests in their respective markets. In the Pittsburgh direct shipped area this assessment is \$.01 per hundredweight and is collected by the Dairymen's Cooperative Sales Association and used only to defray those expenses. In other territories locals of the association collect and disburse these testing funds through their own treasurer.

#### Educational Program

The Pittsburgh Dairy Council is an educational corporation organized for the purpose of promoting the increased use of milk. Irvin H. Kauffman is secretary of the organization and has been carrying on a splendid piece of work. Following is a brief extract from the report of their group for 1932.

"Despite the low level of milk prices, farmers and distributors have not relaxed in their control of quality. The Sanitation Department has kept constant check on the milk supply and our records show that standards have been maintained. In fact, the bacteria counts taken at all plants during 1932 averaged lower than during any previous year.

"Our approach to the public was made possible by the cooperation of organizations engaged in educational and welfare work and included schools, playgrounds, vacation church schools, community centers, mothers' clubs, parent-teacher associations, luncheon clubs, colleges, summer camps, libraries, Y.W.C.A.'s, community councils, amusement parks, and industrial plants.

"291,691 persons were reached through lectures, demonstrations or plays. During the year there were 1,683 of these programs given. Our motion pictures were viewed by 142,185 children and adults. 21,353 children visited our park booths and were weighed and measured or had their teeth examined. 5,811 adults, in most instances parents, were directly contacted at the booths. Our exhibits were in use for a total of almost 500 exhibit days. The men in our sanitation department made 10,948 sediment tests, 77,137 bacteria examinations with the microscope, 263 plate counts, 1,668 farm inspections and 767 farm calls. These farm calls were made, not as an official inspection, but in response to requests for assistance either from the dealer or producer to help solve a particular sanitation problem.

"This record of activities is not a complete measure of our work. The office detail connected with it, the preparation of new material, new stories, new plays, to meet the needs of a program of this sort takes up whatever time is not used in actual contact with the public."

#### Keeping Membership Informed

The publication "Dairymen's Price Reporter" published by the organization is edited by Maynard B. Abbott. It carries timely information to its members in all districts. A quotation of prices to be paid in the various districts is listed each month.

"The association began active market negotiations in the Cleveland market on June 1, 1933 having at that time a majority of the producers in the milk shed under contract and several of the large buyers under agreement."

TOTAL YEARLY SALES OF MILK BY CLASSIFICATION

All Districts D.C.S.A.

Pounds of milk

	1928	1929 <sup>#</sup>	1930 <sup>#</sup>	1931	1932
Class I	247,239,981	236,828,506	239,660,054	250,002,579	264,500,262
<del>###</del> Class II	178,434,687	145,352,772	156,390,608	185,070,547	73,335,924
Class II-A	--	--	--	--	35,330,933
Class II-B	--	--	--	--	41,293,304
Class III	24,729,749	11,154,260	13,860,256	35,702,261	46,579,105
Class IV	--	3,601,072	2,142,942	2,431,988	3,301,480
Class V	17,599,055	24,871,900	28,473,725	24,451,037	22,027,860
TOTAL SALES	478,003,472	421,808,510	440,527,585	497,659,412	486,368,868
TOTAL SALES VALUE	\$ 12,373,849.30	\$11,470,710.91	\$10,160,317.90	\$8,634,290.96	\$5,648,098.05
AVERAGE PRICE 3.5%	\$ 2.643	\$ 2.719	\$2.306	\$1.734	\$1.161

<sup>#</sup> Sales records in DISTRICTS III and XII incomplete for these years and not included in these totals.

~~###~~Class II subdivided into Classes II-A and II-B in certain districts beginning May 1, 1932.

THE MILK PRODUCERS' ASSOCIATION OF SUMMIT COUNTY AND VICINITY

Akron, Ohio

General Organization Set Up

This organization is a collective bargaining group, now in process of becoming incorporated, handling milk for producers located in Summit and adjacent counties. The membership consists of 2770 producers who are located as follows:

<u>County</u>	<u>No. Locals</u>	<u>No. Members</u>
Stark	5	317
Medina	6	381
Holmes	4	301
Portage	11	695
Wayne	17	776
Summit	10	270
Tuscarawas	1	30

The offices are located in the Summit Growers' Market Building, 145 Beaver Street, Akron, Ohio.

The officers are:

President . . . . . J. I. Shafer, Seville, O.  
V. Pres. . . . . Ivan H. Steffy, Hartville, O.  
Secy.-Mgr. . . . . Paul Richards, Kent, Ohio  
Treasurer . . . . . T. F. Pressler, East Akron, R.2

The above officers and chairmen of the locals make up the executive committee which corresponds to the advisory council in other organizations.

Seven milk distributors are now buying 78 per cent of the milk coming into the Akron market. This volume is being purchased through the association. Until 1931 97 per cent of the milk in Akron was bought through the association. The organization attributes their loss in volume of total per cent of milk handled to the inroads of outside distributors and to the adoption of a base surplus plan which permits the producer to keep on the farm all milk over his base amount.

In 1931 the association operated under a pool plan, but changed to a basic surplus plan January 1, 1932 and is continuing this plan in 1933.

The total volume of milk handled by the association in the past two years runs as follows:

<u>1930</u>	<u>1931</u>	<u>1932</u>
145,273,911 lbs.	148,140,185 lbs.	107,646,688 lbs.

Total receipts by months in the Akron and Orville markets runs as follows:

<u>1931</u>	<u>1932</u>	<u>1933</u>
Jan.....12,062,520 lbs.	Jan...10,132,752 lbs.	Jan...7,308,681 lbs.
Feb.....11,394,478 lbs.	Feb... 9,248,415 lbs.	Feb...6,855,976 lbs.
Mar.....13,007,124 lbs.	Mar... 9,523,241 lbs.	Mar...7,805,182 lbs.
Apr.....13,321,920 lbs.	Apr... 9,292,693 lbs.	Apr...7,778,605 lbs.



The organization attributes the drop in total receipts largely to the change from the pool plan to the basic surplus plan and the fact that producers may keep surplus at the farm. Probably the fact that we are in a period of falling price levels has much to do with this situation. New distributors springing up in the market also had its effect on the situation.

#### Base Period

The period when the base was determined was between September 1, 1930 and August 31, 1931. The association contract provides "That each Producer who signs the contract, except those that are paid by the Orrville Milk Condensing Company, will be assigned from time to time an amount of his average daily production from September 1, 1930 to August 31, 1931, inclusive, which the Sales Committee of the Milk Producers' Association and the Cooperating Dealers estimate will be needed each day to supply his proportionate share of the amount of milk that the Sales Committee of the association and the cooperating dealers estimate will be required to supply the fluid milk and cream needed for the market, and this amount will be known as his daily base, 80 per cent of which will be known as Class I milk, 20 per cent as Class II milk, and all milk shipped in excess of the assigned base will be known as Class III milk. However, if a producer ships less on an average for any calendar month than his assigned base, he shall be paid the Class II price for an amount equal to 20 per cent of his total daily bases for that calendar month and the Class I price for the balance delivered for that month. If the daily shipments of any producer average below the assigned base for each of two calendar months in succession, the assigned base shall be automatically reduced to an amount equal to the average daily shipment for the two months in question."

#### Base Adjustments

An adjustment committee was elected at the semi-annual executive meeting. Applications for a raise in base were received from 337 producers, of which 134 were withdrawn, or having been notified failed to appear. The committee personally interviewed 203 producers who were expected to prove that their base was not fairly established. The committee members were in session 12 days and were able to hear 17 applicants per day. Adjustments were granted to 66 producers totaling 841 pounds in daily bases.

The treasurer's report will show that \$2,428.00 was spent for printing and advertising of which \$1,437.50 was for health instruction in the Akron schools stressing the value of milk, which work was supervised by the National Dairy Council.

There have been executed 47 hauling contracts with truckmen. The average price stated in these contracts is  $18\frac{1}{2}$  cents per cwt. or an average reduction of  $2\frac{1}{2}$  cents per cwt. from last year.

#### Penalties

If a producer ships less on an average for any month than his assigned base he shall be paid Class II price for an amount equal to 20 per cent of his total daily bases for that month and Class I price for the balance delivered that month.

If daily shipments of any producer average below base for each of two consecutive months a new base is established on the basis of the production for these two months.

### Price Determination

Prices of Class I, II, and III are determined by a meeting of Milk Distributors and Sales committee of the Milk Association. In case of disagreement a board of arbitration adjusts the price. It is composed of two selected by Dealers, two selected by sales committee and the fifth member is selected by the four.

### Butterfat Differentials and Tests

Prices agreed upon are paid on the basis of 3.5 per cent butterfat.

Sampling and testing is done at the receiving plant by the buyer, and checked by the association upon receipt of complaint.

For each one-tenth point variation in butterfat test from 3.5 per cent, the producer shall receive 2 cents per hundred pounds above or below as the case may be when the average price of 92 score butter at Chicago for the month is not over 18 cents per pound, 2 $\frac{1}{2}$  cents between 18 and 23 cents, and continues upward on a sliding scale.

### Surplus Milk

Producer may retain any part or all of Class III milk to be used on the farm or marketed as butter, sour cream, or cheese, but not to be disposed of on the market in any other form.

### Deductions

The association receives a commission from sales not to exceed 1 cent per hundred pounds.

### Membership Fee

The annual membership fee is \$1.

### Financial Protection to Producer

The dealers furnish bond or security when requested to do so by the association.

### Hauling Arrangements

The sales committee of the Producers' Association has the privilege of assigning any producer to any truck route in order to facilitate the transportation of the milk from the producer to the dealer.

### Orville Condensery

The Orville Condensery acts as a shock absorber for the Akron market. The price per cwt. for milk delivered by the producers paid by the Orville Milk Condensing

Company shall be set monthly by mutual understanding between the sales committee of the Milk Producers' Association on the one hand and the cooperating dealers on the other. The Orville Milk Condensing Company shall pay the Mid-West Condensery price for milk delivered by the producers that are paid by the Orville Milk Condensing Company up to 10 per cent of the total receipts of all other cooperating dealers, and for all other milk delivered by these same producers in excess of said above 10 per cent. The Orville Milk Condensing Company shall pay the price set by the sales committee of the Milk Producers' Association and the cooperative dealers.

#### Market Adjustments

In order to maintain equality among dealers an adjustment fund is maintained by the association. Any dealer whose fluid milk sales are more than 80 per cent of the amount of base received by him pays into the fund the difference between Class III price and the weighted average price of Class I and II for each 100 pounds of difference. Likewise any dealer whose fluid sales are less than 80 per cent of the base received by him draws out of the fund on the same basis.

#### Information to Producers

This is handled through meetings and letters to the membership.

#### Move to Incorporate Started

At the annual meeting on January 21, 1933, association members voted to incorporate under the Cooperative Marketing Act of the State of Ohio, as a non-stock, non-profit corporation. Since that time a committee has been preparing a constitution which has been amended by the executive committee and another committee has been authorized to file articles of incorporation in the near future.

#### Charity Milk

From April 1, 1932 until December 1 inclusive, our members have sold through their cooperating dealers, 2,329,866 pounds of milk to the charitable institutions of our city. Members of our association have supplied this milk at \$1.20 per cwt. and it has been delivered direct to the homes of unfortunate people. By so doing we have contributed largely to the support of those future consumers in our market and this at a time when the finances of all people both city and country were at low ebb.

THE STARK COUNTY MILK PRODUCERS' ASSOCIATION, INC.

Canton, Ohio

General Organization Features

This association is a collective bargaining group incorporated under the Co-operative Marketing laws of Ohio and operates in Canton, Alliance, Massillon and 13 other smaller markets in Stark County. The offices are located in the Canton Building, Canton, Ohio.

Officers and directors are elected at the annual meeting. The officers and directors for 1933 are:

Officers

President .....Frank Sluss, Louisville, O.  
V.Pres. ....Bert Sweitzer, " "  
Secretary.....L. A. Voltz, " "  
Treasurer.....Leroy Frank, " "  
Manager.....T.H. Bachtel, R.3, Massillon

Directors

Otto Frank, Rt. 2, Louisville, O.  
C.O. Brumbaugh, R.D., North Canton, O.  
James Ake, Rt. 1, East Canton, O.  
Geo. Kiefer, Rt. 2, Canton, O.  
John Wyles, Rt. 2, Canton, O.  
Ira Smith, Rt. 3, Canton, O.  
Howard Wefler, Rt. 5, Massillon, O.  
Geo. Wallace, Rt. 2, Homeworth, O.

Sales Committee

Frank Dieringer .....R.D., Waynesburg, O.  
H. C. Folk, Rt. 3.....Louisville, O.  
Carl Michel .....Rt. 2, Louisville, O.  
W. H. Knepper .....Rt. 1, East Canton, O.  
Ed. Aman .....Rt. 2, Massillon, O.  
Geo. Ramsayer .....Rt. 2, Homeworth, O.

Approximately 90 per cent of the milk shipped into Canton is supplied to dealers through the association. A membership of 1000 producers supplies the market which includes Massillon and Alliance.

The organization was set up in 1926 as a bargaining association. They operated under a pool plan until January 1, 1932 when a basic surplus plan was adopted.

Local units with president, vice-president, and secretary are organized around truck routes.

The membership fee is 50 cents per member, payable once, at the time the producer joins the association.

Recent shifts in the volume of milk handled in the market according to the association is due largely to the change in marketing plans.

The following figures show changes in volume of milk indicated by total monthly receipts:

<u>1931 Pool Plan in Effect</u>	<u>1932 Basic Surplus Plan in Effect</u>
Jan.....4,451,777 lbs.	Jan.....3,667,646 lbs.
Feb.....4,125,893 "	Feb.....2,785,083 "
Mar.....4,589,968 "	Mar.....2,673,788 "
Total for year 1931---49,535,651	Total for year 1932---32,305,122

1933 Pool Plan in Effect

Jan.....2,557,722  
Feb.....2,364,459  
Mar.....2,573,539

Total to June 1, 1933---13,468,895 lbs.

1930 Compared with 1931 Pool Plan in Effect Both Years

<u>1930</u>	<u>1931</u>
Total Volume through Assn.--52,000,000 lbs.	Total Volume through Assn.--49,652,235 lbs

Basic Surplus Plan Abandoned

On April 1, 1933 the association discarded the basic surplus plan and adopted the pool. The members of the association did not request the change of this plan. The change was mutually agreed upon by the directors of the association and the cooperating dealers. This was done in an endeavor to secure better control over a volume of milk which was being marketed by means of unethical purposes.

Classifications

Below is the interpretation of Class I, II and III as used in the Canton market:

Class I

Whole milk sales in fluid form retail and wholesale.  
Regular or standard Jersey milk.  
Baby milk.  
High test milk.

Class II

Cream - retail and wholesale  
XXX Cream  
Whipping cream  
Coffee or standard cream (according to dealers' tests)  
Sour cream  
Chocolate milk of D.D. special  
Creamed buttermilk  
Creamed cheese

Class III

Milk used in manufacture of ice cream  
Charity milk  
School milk  
Milk sold to Noakers Ice Cream Company  
Milk sold to creameries  
Butter  
Plant shrinkage

### Eliminations

Grade A not to be figured in Pool.

### Standard Weights

1. Standard whole milk - 8.6 lbs. per gallon
2. Cream up to 22% - 8.5 " " "
3. Cream above 22% - 8.4 " " "

### Butterfat Differentials and Tests

All milk is bought upon a 3.5 per cent butterfat basis. For each 1/10 point variation in the butterfat test above or below 3.5 per cent the producer is to receive or have deducted as the case may be, the following differential per 100 pounds of milk based on the average monthly price of 92 score Chicago butter as follows:

2¢	when Chicago B.F. is	20¢ or below
2½¢	" " " "	20¢ to 25¢
3¢	" " " "	25¢ to 30¢
3½¢	" " " "	30¢ to 35¢
4¢	" " " "	35¢ to 40¢
4½¢	" " " "	40¢ to 45¢
5¢	" " " "	45¢ or over

The association reserves the right to provide an experienced man for the testing of all milk received by the dealer from the association and the dealer agrees to pay for all milk on this test.

### Determination of Price

The price to be paid the producer for any month is determined by joint conference of dealers and sales committee of the association. In case a price agreement is not reached it is referred to a committee of arbitrators. This committee will be composed of two members selected by the dealers, two by the sales committee of the association, and the fifth selected by the above named four.

### Deductions

Three cents per hundred is deducted (5 cents per cwt. is the maximum that may be deducted) to carry on the operating expenses of the association such as testing, office expense and field service.

WOOSTER FARMS DAIRY COMPANY

Wooster, Ohio

General Organization Set-Up

This organization was set up and incorporated in September 1923. \$50,000 in capital stock was provided for by issuing 500 shares at \$100 per share. It is considered a Wholesale Tank Distributing Company. They own their own plant, also the equipment in a cheese factory at Mt. Hope in Holmes County.

Fery few changes have been made in their organization since it was incorporated.

In 1926 the membership was 150. The past three years they have been buying from 500 producers.

All producers are under Cleveland inspection and are classified as approved dairies.

Volume of Products Handled

1931	18,727,702 lbs.
1932	19,731,648 "

Buying Plan

The organization uses the Pool plan in paying producers. They buy on a 3.5 B.F. test with a B.F. differential per point above and below 3.5 based on the B.F. market. 25 dealers in the Cleveland market are cooperating with this group.

The officers of the organization are:

President.....Percy Maize, Wooster, O.  
V.President.....John Villard, Mt. Eaton, O.  
Secretary.....Mrs. Ethel Miller, Wooster, O.  
Treasurer....." " " " "

Directors -

Percy Maize, Wooster, Ohio  
John Villard, Mt. Eaton, O.  
C. J. Hodge, Wooster, O., (Manager)  
J. Ross Karr, Fredericksburg, O.  
W. A. Firestone, West Salem, O.  
A. J. Shisler, Smithville, O.

Surplus Control

Mt. Hope cheese factory and Orville condensery act as shock absorbers for the organization.

### Hauling

Hauling is under the control of the organization. Fifteen milk routes are necessary to deliver all milk to the plant. The organization owns six tank trucks that are used to haul milk to Cleveland after it is cooled at the plant in Wooster.

### Quality Program

The group uses the direct count system on all shippers and in addition the plate count on all Class I shippers. The organization pays inspection charges but comes under the Cleveland jurisdiction.

Five dollars per farm is now charged for all new approved dairy certificates.

### Information to Membership

Information is passed on to individual members by personal letters. These are usually mailed with checks.

### Contracts

All producers are under contract to deliver their milk to the organization. Contracts are continuous but may be cancelled by either party by giving 30 days notice in writing prior to the date specified in the contract.



THE MIAMI VALLEY COOPERATIVE MILK PRODUCERS' ASSOCIATION

Dayton, Springfield, Greenville and Troy

General Organization Set-Up

The Miami Valley Association was organized in 1921-22 and incorporated September 30, 1921. Their offices are located in Montgomery County - 136-138 Maple Street, Dayton, Ohio.

They were reorganized under the Cooperative Marketing Act in 1926 and adopted a new three-way contract which was only used a short time. A new contract with the producers was later adopted and is in use at the present time.

The association owns a creamery in Dayton, a milk plant in Troy and one in Greenville. It also acts as a bargaining association in Dayton and Springfield.

Present Officers and Directors

John H. Kauffman, President	R.R. #7, Dayton, Ohio
C. E. Michener, Vice-President	R.R. #4, Waynesville, Ohio
Harry G. Roediger, Sec.-Treas.	136-138 W. Maple St., Dayton, Ohio

Board of Directors

J. H. Kauffman	R.R. #7, Dayton, Ohio
C. E. Michener	R.R. #4, Waynesville
Chas. Stockslager	Lewisburg
J. E. Stuck	R.R. #5, Greenville
Elmer Millhouse	R.R. #5, Piqua
Frank E. Funderburg	R.R. #1, Springfield
Harry Littlejohn	R.R. #2, Casstown
John Collins	R.R. #5, Xenia

Membership Development

In the beginning the Springfield market was well organized somewhat better than Dayton. However, a group of producers around Springfield organized a distributing company of their own; this reduced the membership in the association in 1930 to about 25 per cent of the producers. This market was reorganized and hauling rerouted in 1930 and 1931. At present they have approximately 75 per cent of the producers.

In 1929 and 1930 the membership in the Dayton territory decreased to about 40 per cent. A reorganization in this market resulted in signing 85 per cent of the producers.

The membership fee payable when the producer joins the association is \$3.

The locals of the association are located as follows:

11 in Montgomery County	1 in Champaign County
8 " Greene County	1 " Warren "
4 " Miami "	1 " Darke "
4 " Preble "	1 " Clark "

Pounds of Butter Marketed

<u>1923</u>	<u>1924</u>	<u>1925</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>
476,335	588,608	416,920	519,530	1,052,639	787,340	815,441
<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>4 mo. 1933</u>			
800,337	1,020,781	804,342	206,073			

Explanation of Buying Plan

Cooperation with the dealers was started in 1923. At that time all milk was pooled until 1925. Buying on a flat rate basis was then used. In October 1931 the Basic Surplus and pool plan combination was adopted and is still in operation. This latter plan was copied after the Pittsburgh plan.

The Dayton market plan goes a bit farther than the one used by the Pittsburgh organization in that the Dayton plan accounts for all the fat in their total milk receipts and also the fat content of all the packages of milk and sweet cream sold to the consumer. The dealers are credited with all the basic and surplus milk paid to their producers and also the amount of differential fat for which they have paid. The dealers are billed for exactly the quality of milk sold. For instance, a dealer selling 4.2 per cent milk pays the association for more 4.0 per cent milk than another dealer selling the same number of quarts but testing only 3.8 per cent. This plan tends to steady the market right at 4.0 per cent. If a dealer sells much below 4.0 per cent competition from his competitors will automatically correct it. If he puts out more than 4.0 per cent in his bottle he is narrowing his spread per quart, but just the value of this additional fat and differential is billed to him by the association at a Class I value.

The base period has been established by the three low consecutive months of production since the plan has been in operation. These months have been October, November and December. No changes were made in 1933.

The production for the three months taken will be reduced to an average monthly production and this average will be compared to the total sales for the one low month of the last six months in 1931 - for example - suppose total production for the three low months is 12,000,000 pounds.

$$\frac{12,000,000}{92 \text{ days}} \times 30 = \text{Monthly production in Dayton market.}$$

If the milk sold for the low month amounted to 3,600,000 pounds, then

$$3,600,000 \div 4,000,000 = 90\%$$

Thus each producer's base would be 90 per cent of his average production for the three months used. This example is for illustration only as the total sales may be above or below 3,600,000 pounds for the low month thus varying the percentage of producers base that may be used.

There are 23 pasteurizing dealers and 5 farmer distributors in the Dayton market. Nine dealers are cooperating with the association.

Provisions for Base Adjustment

A committee consisting of four producers meet together with the president and secretary as often as is necessary to take care of the complaints. The policy estab-

blished in 1932 in reference to base adjustments is being followed this year by the Base Adjustment Committee. The policies that govern adjustments made in producer's bases are, that any application for base adjustment must be considered, first, as to uniform production; second, as to the producer's position as a factor in the market; third, as to conditions affecting his production outside of his control, together with his obvious intentions; fourth, as to this producer's relation and attitude toward the Association.

#### Butterfat Differentials and Tests

Milk is purchased on a 4 per cent butterfat basis. The butterfat differential is 2 cents for each 1/10 point above or below 4 per cent. The following scale is used

2¢	when Chicago Extras are	15 to 25¢
3¢	" " " "	25 to 35¢
4¢	" " " "	35 to 45¢
5¢	" " " "	above 45¢

#### Surplus Control Measures

Producers are given the opportunity to sell their butterfat and are given credit on their base for the following year. The association states that the basic surplus plan tends to keep surplus out of the market.

#### Hauling

All milk haulers are under contract with the association. They do not take on any new producers without the consent of the association.

#### Deductions

In the Dayton market the association receives 4 cents per cwt. on all milk going to their cooperating dealers. This money is used for running expenses of the Milk Marketing department. They receive 2 per cent from members for capital deductions. In the Springfield market they get 3 cents per cwt. for marketing expense and 1 per cent for capital deductions.

#### Quality Program

At the milk distributing plants at Troy and Greenville they have been working with department of Dairy Technology of the Ohio State University to improve the quality. They have been using the methylene blue tests and have been working with the farmers to get them to take better care of their milk. In Dayton sediment tests are taken by the Board of Health. They continually send out information through their publication "The Cooperative Dairyman" regarding quality.

#### Classification of Products Sold

In Dayton they sell butter from the creamery and act as a bargaining organization for their milk producers.

In Greenville they sell milk, butter, chocolate milk, cottage cheese and will soon be selling ice cream.

In Troy and Piqua they sell milk, butter, chocolate milk and cottage cheese.

#### Keeping Membership Informed

They have been putting out a monthly publication "The Cooperative Dairyman", which keeps their producers well informed. They have one field man and all milk haulers are under contract with the association and they help to keep the producers informed. Producers are invited to call at the association office at any time for information.

KENTUCKY, INDIANA AND OHIO MILK PRODUCERS' ASSOCIATION

Cincinnati, Ohio

The K.I.O Milk Producers' Association office is located at 622 Broadway, Cincinnati, Ohio.

It was set up as a bargaining association in June 1924 and was incorporated not for profit.

The officers and directors of the association are:

President	L. L. Morehouse, Shandon, R.R. 1, Ohio
Secretary	A. O. Bonnell, Loveland, Ohio (appointed by Pres.)
Treasurer	W. R. Garnett, Hebron, Kentucky
Manager	E. H. Sidwell, R.R. 1, Loveland, Ohio
Vice-President	E. Shultz, Alexandria, Kentucky
	C. W. Thompson, Cozaddale, Ohio, R.R.1
	W. M. Callahan, 405 Stanley Ave., Middletown, Ohio
	W. M. Diefenbach, R.R.1, Lawrenceburg, Indiana
	John Orbaugh, Wilmington, Ohio

Membership

The organization has at present 17 locals with 976 members signed on contract. However, the association is handling the milk of approximately 1400 producers at the present time. Thirty milk dealers in Cincinnati are cooperating with the association.

In 1924 their membership was 300. In 1929 the association was handling the product of approximately 2600 shippers. All were not members of the association.

Membership in the association was determined by retaining a record of each producer who signed a card authorizing the organization to deduce 4 cents per cwt. This was used as a sinking fund for members to even up payments on surplus milk.

Deductions

The dealers paid the association 4 cents per cwt. in addition to the other 4 cents deduction. This amount was used to conduct the affairs of the association and was distributed as follows:

1 cent to National Dairy Council  
1 cent testing  
2 cents office and field expense

The association at first bought milk on a 3.5 per cent B.F. test but later changed to 4 per cent. The butterfat differential is 3 cents for each tenth of a point above or below 4 per cent.

The flat rate plan of buying was used but later discarded and the basic surplus plan put into effect. The base plan is still in use and the association hoped to continue it through 1933.

The inspection fee is \$1 per year. This is paid by the dealers and deducted from the producers' check.

### Contracts

There has been a written agreement between the association and the dealers since 1931. In February of this year the first actual contractual arrangement between producers and the association was made. A 60-day cancellation clause is provided.

### Volume of Business

The total volume of milk handled by the association by years is recorded as follows:

1925	75,000,000#
1926	80,000,000#
1929	90,115,000#
1930	73,843,000#
1931	95,339,000#
1932	80,000,000#

### Hauling

On June 1 of this year the association had 78 milk routes. The hauling is under the direction of the association. However, the haulers have their own organization and operate under a permit. The average hauling rate is 35 cents at present and a special arrangement is provided whereby surplus milk is trucked in at half the regular hauling charge.

THE COOPERATIVE PURE MILK ASSOCIATION

Cincinnati, Ohio

This association owns and operates the old French Brothers Bauer Company, now French Bauer, Inc., in Cincinnati, also a plant in Covington, Kentucky. It distributes milk in Lexington, Louisville and Maysville, as well as Cincinnati and Covington.

The officers of the association are:

President	Harry Hartke
Vice-President	Robt. Schiering
Secy-Treas.	H. B. Berning
Ass't. Secretary	Anna L. French
Field Manager	Frank Cox

The Federal Farm Board has given some aid to the organization in the form of a loan. The association paid off \$175,000 of the Farm Board loan and met principal and interest payments on maturing certificates of indebtedness amounting to \$233,615.11 during 1931.

The association has 2800 active members at present in the Cincinnati "Milk Shed."

There are eight dealers cooperating with the association in Cincinnati.

The volume of milk handled by the association is recorded as follows:

1928	75,707,651
1929	75,697,471
1930	89,044,080
1931	87,092,941
1932	79,935,646

This volume represents approximately 50 per cent of the milk distributed in Cincinnati.

Prior to January 1, 1931 the Cooperative Pure Milk Association of Cincinnati made no effort to regulate the milk supply. Reduced sales and increased production following the drouth of 1930 forced the association to adopt a production regulation plan in an effort to avoid shortage periods.

In November, 1931, some modifications of the plan in use were made to become effective January 1, 1932

A figure of 6,000,000 pounds was used for the monthly pool because this amount is approximately the quantity of milk that can be used in the form of fluid milk, cream, cottage cheese, buttermilk, and ice cream making allowance for variations in demand.

Classifications

Four classifications are used because the management apparently feels a four class plan more closely reflects the actual usage of the milk. The per cent of each class is determined by actual sales each month.

Classifications are:

- Class I All milk sold as fluid milk.
- Class II All milk used as sweet cream when the skimmilk is used for buttermilk, cottage cheese, chocolate milk or standardizing purposes.
- Class III All other sweet cream.
- Class IV All milk used in making butter

Price Determination

The weighted price for the various classifications is determined in the following manner:

Assuming that 60 per cent of the milk is in Class I, 20 per cent in Class II, 15 per cent in Class III and 5 per cent in Class IV, and that the determined price is \$2.50 for Class I, \$2.00 for Class II, \$1.50 for Class III, and \$1.00 for Class IV, the weighted average price for 100 pounds could be

60% @ \$2.50	=	\$1.500
20% @ 2.00	=	.400
15% @ 1.50	=	.225
5% @ 1.00	=	.050

Total        \$2.17

Penalties

If a producer delivers less than his monthly quota he receives pool price.

If a producer delivers more than his monthly quota and all or part of this excess can be used for pool requirements he will receive the pool price for the quantity that is thrown into the pool. The balance to be paid for according to usage.

Base Determination Period for 1932

Suppose that a producer's monthly base during 1931 was 3000 pounds per month, and that he produced the full amount of his base for 9 months but during one of the other months he produced only 2000 pounds, in another 1000, and no milk the remaining month, he would be short 6000 pounds. Dividing this by 12 gives 500 pounds, hence 500 pounds would be deducted from his quota of 3000 pounds, establishing his monthly quota for 1932 at 2500 pounds. Any shortage in the monthly pool is made up by adding a sufficient amount to the monthly base of those who shipped more than their monthly base as a percentage increase. This plan is carried out each month. In 1933 base was reduced 10 per cent for pool base.

Anyone wishing to reduce his quota on the basis of herd reduction may do so at the beginning of the year.

### Butterfat Differentials and Tests

All milk is bought on a 3.5 per cent butterfat test. Three cents is paid for each 1/10 of a point variation above or below 4 per cent milk.

### Surplus

Members are permitted to keep surplus milk at home. They are selling the butterfat and using the skim milk for feeding. Surplus is paid for at Chicago Extra when skim cannot be used.

### Deductions

The maximum amount deducted for operating expense is set up not to exceed 5 cents per 100 pounds of milk handled by the association and 15 cents extra on base milk for capital deductions.

### Quality Practices

The association has worked out a plan whereby quality has something to do with the price. Their system is as follows: The producers who ship 15 per cent of the milk containing the largest number of bacteria receive 10 cents per 100 pounds less, and 15 per cent of the shippers whose milk has the least number of bacteria receive 10 cents per 100 pounds more than their base price.

The methylene blue test is used to determine the quality.



## THE SCIOTO VALLEY COOPERATIVE MILK PRODUCERS' ASSOCIATION

Columbus, Ohio

In 1916 the "Central Ohio Milk Producers' Association was organized in the Columbus territory. It was a bargaining type of organization. In 1919 they attempted to go into distribution. A plant in East Columbus was bought.

Due to insufficient finances and the deflation of 1920-21 the plant was sold and the association went out of existence in 1922 and 1923.

A new association was started in 1923 but had no relation to the first. It was given aid by the Farm Bureau Dairy Department.

### Development of the Present Organization

The first year 2550 members were signed. This was accomplished by Mr. Dickerson and Mr. Waid.

This organization was incorporated October 16, 1923 under the latest cooperative marketing laws of Ohio. Each member is under a definite contract with the association.

The new association is a bargaining type with offices in the Grand Theatre Building at Columbus. They operate in Newark, Marysville, and Columbus and handle fluid milk largely.

The association is a member of the State and National Cooperative Milk Producers Association.

### Cream Units

The association has four cream units located at Rosedale, Marysville, West Jefferson and Circleville. The cream shippers are members of the association. These units are managed locally by their own board of directors but may come to the association for aid.

### Hauling

Hauling is under the supervision of the local units of the association except that the haulers contract is with the association. They are under bond and make quarterly statements to the association of the names of those for whom they are hauling and the volume handled.

### Market Stabilization Program

Through the efforts of the association and dealers a splendid stabilization program was developed and real progress was made in eliminating bad trade practices, especially price cutting. A code of ethics was presented and many meetings were held bringing the dealers and the association more closely together in common interest.

### Basic Surplus Plan

The association has been operating under a base and surplus plan since April, 1925, with some minor changes affecting mainly the method of setting bases.

The section of the Agreement pertaining to determination of the producer's plan of selling is as follows:

"The association is hereby constituted the agent of the producer in the sale and delivery of his milk and cream and is given authority to market the producer's milk and cream in such manner, and on such terms, as will with the cooperation of the dealers, in the opinion of the sales committee of the association, be to the best advantage of the producers. If the method chosen contains a pooling feature, the association is authorized to make, and collect from the dealer and disburse to users of other than fluid milk, such deductions from the sale price of milk, affecting the respective classes of milk as established by the association as may be appropriate to effect such adjustments of prices to producers as may be provided in such pooling feature. The association may transfer the rights of the dealer under this contract to any other dealer and this contract will thereupon bind the producer, the association, and such other dealer

"The producer agrees to pay to the association for its services rendered pursuant to this agreement, a commission not to exceed three cents (per cwt.) as determined by the association on all milk sold under this agreement, and hereby authorizes the dealer to deduct the same from the amount due the producer for milk sold, and to pay said commission directly to the association, and the dealer hereby agrees to make said deductions and pay the same to the association. The signing of this contract by the producer shall constitute him a member of the association."

There were 240 adjustments in bases for 1931.

#### Price Determination

The price paid to the producer for milk for any month together with differential and adjustment for milk testing above or below 4 per cent butterfat shall be determined by joint conference of the dealers and the sales committee of the association, same to be held during the preceding month, or such other date as is mutually agreeable. In case a price agreement is not reached, it shall then be immediately referred to a committee or arbitrators, which committee, unless otherwise agreed upon, shall be composed of two members selected by the dealers, two members selected by the sales committee of the association, and a fifth selected by the above named four. The price established either by the conference or by the committee shall be final for that month, and until that date for which another price is established either by such conference or committees.

#### Penalties

No penalties for over or under-production are assessed except that the producer takes surplus price for all milk produced in excess of his base.

#### Deduction

The association is at present making a deduction of 2 cents per cwt. for operating expenses and  $\frac{1}{2}$  cent to Columbus Milk Council. There are no membership fees charged by the association.

#### Surplus Milk

The producer is permitted to separate his surplus milk at home and sell the sour cream if he so wishes. Early in 1933 a cooperative plan was tried with the

dealers whereby a certain per cent of the milk was to be subsidized that found an outlet through the powder plant. Pool carried on through period of low butterfat and plentiful supply and probably delayed drop in price.

The officers and board of directors are as follows:

President	J. R. Schott, Westerville, O.
Vice-President	Porter Elliott, W. Mansfield, O.
Secretary,	
Treasurer and	
General Manager	J. R. Smart, Columbus, O.
	J. G. Fulton, Newark, O.
	F. M. Rupprecht, Marysville, O.
	Harry Linebaugh, Grove City
	H. P. Miller, Sunbury, Ohio

The advisory council is made up of one representative from each 50 members or major portion thereof from each local.

Local units are formed by the uniting of member producers in a vicinity under the regulations provided. The most important duties or functions of the locals are those of providing the members of the advisory council, electing the officers of the parent organization, and the virtual election of the haulers and routing of the trucks. They also provide means for getting information to the membership.

The number of members and number of locals by counties are as follows:

<u>County</u>	<u>No. Locals</u>	<u>No. Members</u>
Franklin	10	675
Delaware	11	675
Licking	12	820
Logan		16
Union	4	425
Fairfield		70
Pickaway	2	900
Madison		160
Champaign		16
Clark		6
Morrow		3
Knox		2
Fayette		1
Total	39	3769

There are at present 12 dealers cooperating with the association in Columbus, who handle about 75 per cent of the milk in the Columbus market.

Market receipts fluid milk for the years of 1930 and 1931 are as follows:

1930	110,727,435 lbs.
1931	105,554,035 lbs.

THE SCIOTO COUNTY COOPERATIVE MILK PRODUCERS' ASSOCIATION

Portsmouth, Ohio

General Organization Features

This association was formed in January, 1924, functioned about two years and was reorganized again in October, 1930. It is without capital stock and is not organized for profit. It is a collective bargaining type of association and acts as agent for its members. Its purpose is to encourage better and more economical methods of producing, handling, and manufacturing milk, cream, cheese, butter and other dairy products.

The membership fee is \$2.50 and the total number of members at present is 276.

The officers of the association are:

President	Dan Oakes
Vice-President	E. F. Rittenour
Secretary and Manager	F. R. Bachman

The advisory council is made up of representatives of local branches. One representative for every twenty members or portion thereof.

The directors are: Dan Oakes, E. F. Rittenour, E. C. Gordon, F. W. Moulton, Jake Rase, Roy Cunningham and Allen Kallner.

Offices of the Association are located at 546 Second St., Portsmouth, Ohio.

Total volume of milk handled by the association:

	<u>Total 1931</u>		<u>Total 1932</u>
10 $\frac{1}{2}$ mo. 1931	12,130,452 lbs.	Year 1932	16,697,659 lbs.

The average experience price for 1931 was \$2.16 per hundred, the experience price for 1932 was \$1.817 and the average base price for the same year was \$2.82 $\frac{1}{2}$  per hundred. The retail price per quart was 12 cents throughout the year.

There are five cooperating distributors working with the association. Fifteen producer distributors are retailing milk in the Portsmouth market at present.

Deductions for Operating Expense

It is the policy of the association to deduct such an amount necessary from the sale of the producers' milk or cream to cover the selling costs and other expenses and to establish a reserve fund. However, the maximum deduction that can be made is 2 per cent of the sum derived from sales of products.

Mr. Bachman, manager of the association, states that 2 per cent deduction is not enough to adequately take care of all operating expenses.

Milk Classifications

Class I	All milk sold wholesale and retail.
Class II	All milk made into sweet cream only. All other is now Class III.
Class III	All milk used in manufacture of butter, provided its manufacture and sale as butter is verified by the Marketing Department.

### Butterfat Differentials and Testing

A milk tester is conducting all the butterfat tests at two plants and the association reserves the privilege of check testing all the other plants of the cooperating dealers.

When the dealer buys on the test and weight of the association tester he pays half the salary and expense of the tester.

The tester makes out his reports in duplicate; one copy goes to the association, the other to the dealer.

All milk is bought on a 4 per cent butterfat basis. The variation of payment for each one-tenth point above or below the 4 per cent is determined by taking 115 per cent of 92 score Chicago Extra. Since butterfat has been down they have had 2 cents differential.

### Base Period

At first, the three low months of production of each individual producer adjusted to the dealers' low month of sales constituted the base set-up.

At present the base for each individual producer is determined by the average monthly production during 1931 and that amount is adjusted to the dealers' low month of sales. In addition to this base milk the producer must furnish 60 per cent of said base to meet the requirements of excess base needed and for second class milk. Any amount produced above these two amounts are paid for as class III. Should the producer fail to furnish the amount specified the shortage is deducted from his base milk.

### Adjustments

Up to the present time the association has made no adjustment of bases for individual producers. New members have not been added to the regular list who were shipping to the association at the time it was organized. If new producers should be added they will be taken on with the understanding that they are to receive butterfat prices for whole milk unless the milk is needed in the market.

### Milk Inspection

The system of carrying on inspection is somewhat different than many of the markets. The expense is shared equally by the city, the association and the milk distributors. The Health department has definitely restricted the territory supplying milk to Portsmouth by an inspection charge of \$10 plus mileage for producers located outside of the regular milk shed.

### Hauling

The milk hauling is in charge of the association. Early last fall the association operated 22 routes, most of them located in Scioto County. Later the territory was entirely rerouted cutting the number of routes down to 11. This procedure saved the association approximately \$17,000 according to Mr. Bachman, manager of the association.

### Methods of Determining Price

The total cost of milk to the distributor is determined by multiplying the prevailing price of the various classes by the quantity used for each purpose and adding them together. The plan is practically the same as that of Pittsburgh and Dayton.

NORTH CENTRAL OHIO COOPERATIVE DAIRY SALES ASSOCIATION

Bucyrus - Mansfield

General Organization Set-up

This association is a collective bargaining type organized in July 1922, later in September 1926 it was reorganized under the new Cooperative Marketing Act.

Its purpose is to perform collective processing, handle market milk, all other dairy products and deal in poultry and eggs.

The officers and directors of the association are:

President	W. S. Krauter, Bucyrus, O. - Crawford County
Vice-Pres.	J. F. Hink, Shiloh, O. - Richland County
	Ed. Wolf, Kenton, O. - Hardin County
	Myron Case, Nevada, O. - Wyandot County
	J. A. Hemminger, Nova, O. - Ashland County
	G. M. Dalton, Marion, O. - Marion County
	H. J. Kunze, Mt. Gilead, O. - Morrow County
	C. F. Hopkins, Greenwich, O. - Huron County

Location of Locals and Outlet for Products

<u>County</u>	<u>Location</u>	<u>Outlet</u>
Crawford	Lykens	Chief Dairy
	Benton	" "
Wyandot	Upper Sandusky	" "
	Sycamore	" "
	Carey	" "
	Nevada	" "
	Deunquat	" "
Hardin	Kenton	Belle Center
Morrow	Mt. Gilead	Page Dairy
	Cardington	Belle Center
Richland	Mansfield (milk)	
	Adario	Page Dairy
Ashland	Savannah	" "
	Nankin	" "
Huron	Greenwich	Gray & White

A new local has just been organized at Lexington.

Cream Outlets

The western part of the territory sells cream to the Chief Dairy, Upper Sandusky. The east section sells to Page Dairy at Mansfield, two stations go to Belle Center creamery at Belle Center and Greenwich goes to Gray and White at Tiffin.

Their plan is to pay the going price to both members and non-members. A rebate is paid to members only.

The volume of butterfat handled in 1932 was 700,000 pounds. The high point was 1,000,000 pounds. In 1926 the total volume was 778,566 pounds and total sales amounted to \$362,536. The expense per pound of butterfat was .03 cents.

#### Mansfield Milk Set-up.

An advisory board handles the business of the Mansfield milk market. The board consists of -

J. F. Hink, Shiloh, O.  
J. H. Culler, Lucas, O.  
Clarence Mowery, Mansfield, O., R.7  
A. L. Lickhart, Lexington, O.  
Avery Hale, Mansfield, O., R.2  
Jacob Danson, Bellville, O.  
Lester Lantry, Mansfield, O. R.1  
O. E. Brenneman, Field Representative

Five pasteurizing dealers cooperate with the association in the Mansfield market. Isaly, Levering, Axtell, Miller and Wilson are the cooperating dealers.

The base surplus plan is being used by the association. Base is set on the dealers sales each month. The association buys on a 3.5 per cent butterfat test.

Membership fee is \$1 at the time of joining the association. An additional deduction of 1 per cent of the gross sale price on bottle milk and cream is made to conduct the affairs of the association.

No reserve is accumulated to guarantee pay from dealer to the producer.

They now operate approximately five cream stations with over 1500 patrons and are handling the milk of about 40 members in Bucyrus and 175 members in Mansfield.

The hauling for the most part is in control of the dealers.

The association has nothing to do with cream hauling except to the Page Dairy. This contract is on a direct shipper basis with hauling charge  $1\frac{1}{2}$  cents off.

The cream quality program has been largely abandoned because of the attitude of some of the dealers. Some dealers maintained they could secure as much for second grade butter as for 92 score.

NORTHWESTERN COOPERATIVE SALES COMPANY

Wauseon, Ohio

This group was organized as a stock company incorporated March 13, 1920 for profit under the general corporation laws of Ohio for the purpose of buying, selling and dealing in farm and dairy products; pasteurizing and manufacturing milk into butter, cheese, condensed milk, powdered milk and by-products and selling the same.

The capital stock of the corporation was \$50,000 divided into 10,000 shares at \$5 each. Each stockholder entitled to one vote only.

Reorganization

In June 1932 the name of the company was changed to association and a new contract was drawn and is similar to the D.C.S.A. contract of Pittsburgh.

Five directors were elected for a term of two years each.. They are -

H. L. Whiteman, Liberty Center, Ohio  
H. W. Kiser, Fremont, Ohio  
Clark Aumend, Delta, Ohio  
Chas. P. Wilkinson, Ottawa Lake, Michigan  
Lorin Nelson, Bowling Green, Ohio

This set-up is without capital stock. The rights of the members in the property of the corporation shall be equal, new members to have the same rights as old.

The headquarters of the association are located at Wauseon, Ohio.

Names of Officers of the Association and Manager with Address

H. L. Whiteman, President - Liberty Center, Ohio  
Lorin Nelson, Vice-Pres. - Bowling Green, Ohio  
E. D. Waid, Sec'y & Mgr. - Wauseon, Ohio  
Katherine Downs, Treasurer- Wauseon, Ohio

Number of Members in Association, Membership charge, Development in Past Five Years.

Approximately 4500 in old association  
" 1100 in new

Deduction for Operative Expense

In past - 1 per cent value. Under new contract 2 cents per cwt.

Hauling - How Handled

- (1) For fluid milk by buyer or private hauler.
- (2) For cream - N.C.S. routes or private hauler.
- (3) For condenseries - by buyer or private hauler.



Each buyer of milk in the Toledo market has bought according to his own desires. A general recognition has been given to a price for fluid milk and for surplus and each buyer worked out his own experience price somewhat, although not definitely, in line with this figure.

In more normal times a few individual buyers working with the association used a simple form of base surplus plan all of which has been discarded since serious economic conditions and reduced market consumption have existed.

#### Butterfat Differential

Milk has been bought by most buyers in Toledo for quite a good many years during normal times on the basis of 3.5 per cent butterfat test. As butter values have been reduced this differential has been reduced until now some are paying 4 cents differential and many as low as 3 cents.

The association does a fair job of check testing at a number of plants of smaller buyers. Up to the present time, however, no general check testing program has been carried out among the larger buyers. Check testing is generally practiced in the condensery plants.

#### Surplus Milk Control Program

No general production control program has been practiced in the Toledo market. It has been used in a small way by individual dealers in normal times but not recently.

#### Financial Protection to the producer.

The association has not been in financial position up to the present time actually to guarantee accounts of Toledo buyers to the producers. Considerable benefit, however, has been provided through securing information regarding ability of buyers to pay and in keeping producers informed on such matters.

#### Quality Program

The efforts of the association in the Toledo area on the quality improvement work have been only general. Working with the Board of Health the association has helped to promote the idea of the use of the sediment tests at plants and the use of the methylene-blue test. Through its house organ it has always carried on an active campaign for thorough milk cooling and sanitary handling on the farm particularly during the spring months. Each year by active campaign both in the house organ and by producer contacts efficient cooling is strongly urged.

#### Method of Keeping Membership Informed

The chief method of keeping members informed in this area has been by the association house organ known as the Cooperative Dairy Farmer. This paper has gone to all members and to quite a large list of producers selling to cooperative companies who have not been members. The usual practices also have been followed of local meetings and personal contact through Advisory Council members.

MILK PRODUCERS' UNION

Cincinnati, Ohio

The Milk Producers' Union organized in May 1933 is incorporated under the Ohio Cooperative Marketing Act and is of the bargaining type.

There are 1980 dairymen members of the organization in the Cincinnati milk shed.

The offices of the organization are located at 4737 Smith Road, Norwood, O.

The officers for 1933 are as follows:

President	R. B. Laymon, Pleasant Place, O.
Vice-President	Harry Shaw, Oregonia, Ohio
Secretary	R. B. Day, Milford, Ohio
Treasurer	Henry Frankenberg, Camp Dennison, O.
Manager	J. P. Osborne, 4737 Smith Road, Norwood, O.

Sales Committee

L. A. Kallum, Bethel, Ohio  
Lem Lamb, Clarksville, Ohio  
Joe Honerlau, West Chester, Ohio  
Henry Frankenberg, Dennison, Ohio  
C. H. Cooley, Brookville, Indiana

The organization owns and operates a plant in Batavia, Ohio, for the purpose of handling surplus milk.

The membership fee is \$1 with arrangements for a 4 cents per cwt. check-off for operating expenses.

Eighteen dealers are cooperating with the association in the market. The organization is now preparing a membership contract.

The association is securing milk from five counties in Ohio and five in Indiana. They have 25 routes running about 3000 pounds per route daily.

THE FARMERS' EQUITY UNION CREAMERY COMPANY

Lima, Ohio

The Farmers' Equity Union Creamery Company in district No. 2 operates butter plants at Lima, Ft. Recovery, Bellefontaine and Sardinia and one is under construction at Payne, Ohio

Milk is distributed from the Lima plant, but their main business is butter and ice cream manufacturing.

The organization has always paid a 6 per cent dividend on stock until 1932 when they paid 5 per cent.

The creamery at Lima was organized under the leadership of the Farmers' Equity Union with national headquarters at Greenville, Illinois. The Lima plant was organized in 1923, the Ft. Recovery plant in 1928, the Bellefontaine plant in 1930, and the Sardinia plant in 1932. Plans are under way for another plant at Payne.

In the operation of the business a reserve of 10 per cent of each year's earnings is set aside as a reserve. After paying dividends, depreciation and other charges the remainder is paid in patronage dividends.

The main officers and directors of the company are as follows:

President	Fred Wierwille, Wapakoneta, Ohio	
Vice-President	Albert Breymier, Portland, Indiana	
Secretary & Treas.	Earl Coover, Bellefontaine, Ohio	
	Lawrence Bertke, New Bremen, Ohio	
	John Zahn, Minster, Ohio	
	Fred Moenter, Delphos, Ohio	
	Anthony Bricker, Bryant, Indiana	
	C. J. Windau, Pandora, Ohio	
	R. L. Fultz, Bellefontaine, Ohio	
	R. L. Baird, Russellville, Ohio	
	Earl Johnson, West Union, Ohio	
	O. M. Harrmann, Antwerp, Ohio	) Advisory members
	Chas. Sitcler, Payne, Ohio	) from Payne Territory

Set up under the Ohio Cooperative Marketing Act.

Membership has almost doubled since 1928.

GALLIA COUNTY COOPERATIVE CREAM SALES ASSOCIATION

Gallipolis, Ohio

This group started their organization in 1922. The station sold to the Harmony Creamery for several years then changed to Fairmont and later to Moores and Ross. They now sell to Pickerington.

There were approximately 450 members in 1926, at present there are 600 members.

Cream is bought in Gallia, Meigs, counties in Ohio and in Mason County, West Virginia. About 15 producers ship in by rail.

Hollis McCormick, Gallipolis, Ohio, is manager of the cooperative. The increase number of shippers indicates that the development of the fluid milk shed around Huntington, West Virginia has not cut in on the volume of the station.

The volume handled by the association from 1927 to 1931 inclusive -

1927	161,569 lbs. butterfat
1928	186,235 " "
1929	209,691 " "
1930	171,608 " "
1931	177,058 " "

The amount of dividends paid to producers for the past five years has averaged over \$7000 per year.

Cream trucking development program of some of the larger independent companies has had a tendency to eliminate stations in that area. However, it has had very little effect on the cooperative to date.

\* \* \* \*

MUSKINGUM VALLEY DAIRY SALES ASSOCIATION

Zanesville, Ohio

This association is incorporated under the cooperative laws of Ohio and acts as a selling agency for cream producers.

The association operates cream stations at Caldwell, Cambridge, Cumberland, New Concord and Stockport. The stations pay the prevailing price for butterfat and rebate as patronage dividend at the end of the year part of the gain in the business.

In 1929 the total butterfat sales amounted to \$192,624 and dividends paid to producers amounted to over \$6000.

Station managers and help are the only paid employees, no main office is maintained.

The membership fee is \$3, and the member's contract is drawn in such a way that the producer may sell either cream or milk.

Chas. A. Geyer, Norwich, Ohio, is the president of the association.

FAYETTE COUNTY MARKETING ASSOCIATION

Washington, C.H.

The Fayette County Cooperative Marketing Association is a non-profit association incorporated under the cooperative marketing law of Ohio.

The association handles milk and cream, also eggs and poultry.

The directors of the association are:

President, Beryl Cavinee	A.E. Dawson
Vice-Pres., Roy Porter	Ralph Braden
Secretary, Leroy Engle	A. G. Carman
Treas. and Mgr., Ray Crooker	C. F. Eichelberger

Volume of milk and Cream Handled by the Association

	<u>Fluid Milk</u>	<u>Butterfat</u>
1927	1,384,661	64,818
1928	1,292,205	72,885
1929	1,663,545	68,443
1930	2,409,851	65,322
1931	2,454,155	53,161
1932	2,331,103	101,172

The association has three regular trucks on the road all of the time picking up produce from the farmers. These trucks go out every morning and pick up whole milk, then after the milk is delivered they go on their poultry, egg and cream routes. Each driver owns his own truck and he also keeps the truck in running order and he is paid on a commission with a very small salary each month. At the present time they have four whole milk routes. They also have a small station in Greenfield, Ohio, and a route going out of Greenfield picking up eggs, poultry and butterfat. This produce is brought to the Greenfield station and the produce that is bought at the station is brought to their main plant every night; the truck that is used for this is owned by the company.

\* \* \* \*

THE SOUTHWEST OHIO COOPERATIVE SALES ASSOCIATION

Georgetown, Ohio

This group was a cooperative, selling sour cream in Brown, Adams and Clermont counties. They operated 16 stations and sold over 500,000 pounds of butterfat in 1929. Patronage dividends were paid each year they operated.

Carl Pierce was manager of the cooperative.

Organization Changes

The Equity Union Creamery Company of Lima recently built a plant at Sardinia and have secured the services of Carl Pierce as manager.

Most of the cream in the territory formerly going through the Southwest Sales Association is now going through the new plant.

This very fine up-to-date plant is manufacturing a high grade butter.

### CHEESE FACTORIES

The cheese industry of Ohio is located largely in Holmes, Tuscarawas, Coshocton, Wayne and Stark Counties. Approximately 35 factories are in operation. Most of them make Swiss cheese, one or two make Limberger and Italian cheese and the rest cream cheese.

#### The Use of Culture

For the past 10 or 12 years the Bureau of Dairy Industry, United States Department of Agriculture, has been cooperating with the makers of Swiss cheese, encouraging the use of culture in an effort to improve the quality of the finished product. The Dairy Technology Department, the Ohio State University, has also aided in conducting this work.

H. R. Lochry, assistant Dairy Manufacturing specialist, is at present the United States Department of Agriculture representative in that territory.

The Trail and No. 7 dairy factories were the first to use culture. The records show 20 factories in 1932, and 26 factories in 1933, using culture.

On the following pages is a list of Swiss Cheese factories, operators, location, culture or non-culture practices and volume in 1931-1932.

# OHIO SWISS CHEESE FACTORIES

<u>Factory Name</u>	<u>Operator</u>	<u>Cheese Maker</u>	<u>Address</u>	Pounds of Milk Made into Cheese 1931	Pounds of Milk Made into Cheese 1932
<u>Holmes County</u>					
Culture					
Trail	Orville Milk Cond.Co.	John Lengacher	Dundee	2,556,142	2,010,431
Mt. Hope	Wooster Farm Dairies Co.	Rudy Sommers	Mt. Hope	2,232,550	1,290,085
Mast	Lengacher Brothers	Dave Lengacher	Sugar Creek	1,385,023	1,185,874
Gerber Valley	Otto Stockli	John Dauwalter	" "	1,168,458	568,689
Farmerstown	Coop.	Godfrey Winkelman	Baltic, R.2	1,684,156	1,593,819
Charm	Otto Stockli	Otto Stockli	Charm	2,219,223	1,292,456(5 mo.)
N. E. Miller	Coop.	Ernest Gross	Sugar Creek	833,302	1,035,106
Union Valley	Coop.	Arthur Kori	" "	691,471	642,729
Non-Culture					
Hershberger	Coop.	John Mueller	Barrs Mills	499,800	
Ashery	Coop.	Alex Pauli	Fredericksburg	807,140	
Bunker Hill	Coop.	Alfred Shrier	Millersburg	1,283,000	
Winesburg	Coop.	John Grossnicklaus	Winesburg	900,000	
Cooper Dairy	Coop.Private 1933 Culture	" "	"	Did not run	
Honey Run	Coop.	Paul Ramseyer	Millersburg	371,000	
<u>Tuscarawas County</u>					
Culture					
Sugar Creek	Coop.	Fred Schneiter	Sugar Creek	1,738,473	2,184,075
Champion	Coop.	Robert Schwab	" "	2,536,466	2,080,388
No. Seven	Coop.	Fred Burkey	" "	1,446,504	1,594,272
Burkey Dairy	Coop.	John Kempf	New Philadelphia	1,154,974	1,236,234
Baltic	Ed. Steiner	Fred Lantz	Baltic	2,256,000	2,083,317
Yorktown	Joseph Yaggi	Sam Stauffer	New Philadelphia	1,002,735	1,178,765
Crooked Run	Telling-Belle-Vernon	Hugo Warner	" "	1,731,213	3,563,200
Fiatt	Coop.	Henry Schneider	Stone Creek	809,384	978,654
Non-Culture					
Lower Trail	Coop.	Fred Zang	Dundee	500,000	
Lantzor	Coop.	San Knutti 1932		365,000	
		Nick Church 1933			

<u>Factory Name</u>	<u>Operator</u>	<u>Cheese Maker</u>	<u>Address</u>	Pounds of Milk Made into Cheese 1931	Pounds of Milk Made into Cheese 1932
<u>Coshocton County</u>					
Culture					
Bakersville	Coop.	Rudolph Pauli	Bakersville	1,547,611	1,815,761
Pearl	Stalder	Ernest Stalder	Pearl	1,472,318	1,596,682
<u>Wayne County</u>					
Non-Culture					
Yoder Dairy	Coop.	Mike Pauli	Mt. Eaton	750,000	
<u>Stark County</u>					
Culture					
Biery Cheese Company	Coop.	Arnold Von Wyle	Lewisville	1,750,000	1,955,779
Marlboro Cheese Co.	Coop.	E. Lugenbuhl	Hartville	1,750,000	
Non-Culture					
Malvern	Coop.				
East Canton operated 1932					
(Being built, Ext.5000 lbs.daily)Coop.					
<u>Monroe County</u>					
Non-Culture					
Luickhart	Coop.	Peter Gobeli	Sardis	450,000	
Culture					
E. J. Miller Dairy		Clarence Bucks			1,100,389

The quality of all culture factories in 1931 was as follows:

Fancies	5.94%	-	Ave. Prices 18-19¢ wholesale
No. 1	37.13%	-	" " 16-17¢ "
Specials	27.66%	-	" " 14-15¢ "
No. 2	14.63%	-	" " 12¢ "
Grinders	14.64%	-	" " 5-8¢ "

The best factories average 73% upper 2 grades.

The aim is to have 80% of cultural cheese in upper 3 classes.

37,891,943 total  
Total milk made into  
Swiss Cheese 1931

Total for factories using  
culture only 30,986,705 in  
1932. No total records  
available on non-culture  
factories.

Eleven of the factories operated the entire year 1932. Three factories operate ten months, and the remaining factories operate nine months or less. The results of the seven factories indicate that winter cheese making is satisfactory, and profitable enough so that the remaining factories should be encouraged to winter operation. The quality of the winter cheese has been better and the price higher. Some of the factories aim to close in July and August as those are the most difficult months to make high quality cheese.



Twenty-four of the factories are of cooperative nature. Necessary deductions are made for operating expense and the balance returned to the producer.

New Factories Using Cultural Practices in 1932

<u>Factory</u>	<u>Cheese Maker</u>	<u>Address</u>	<u>County</u>
# Edinburg	Walter Spreng	Ravenna	Portage
# Middlebranch (Italian Cheese)			Stark
# Farmers Coop. Dairy Co. (Swiss)	Alex Winkelman	Middlebranch	Stark
# Broad Run	Ernest Mueller	Dover, O.	Tuscarawas
# Mahoning Valley	John Schmid	Beloit	Mahoning
# Marlboro Cheese Co.	E. Lugenbuhl	Hartville	Stark
Herschberger Dairy Co.	John Mueller	Barr Mills	Holmes

# New factories recently starting operations

Other New Factories

Dorset Milk Co.	(Cream & Italian Cheese & fluid Milk)	Ashtabula
-----------------	---------------------------------------	-----------

Several of the factories are owned by milk distributors. They are used as a shock absorber for the fluid milk markets in Cleveland, Akron, Canton and Pittsburgh. During a shortage season the cheese factory provides a source of supply in emergency.

Note: A map showing the location of the Ohio Swiss cheese factories may be found on page 17 of the Ohio Experiment Station Bulletin #523 by C. G. McBride and T. K. Cowden.

